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比亞迪電子(國際)有限公司
BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance with limited liability)
(Stock code: 285)

CONNECTED TRANSACTION

On 28 November 2023 (after trading hours), the Company entered into the Assets Sale Agreement with BYD and the transaction thereunder constitutes a connected transaction of the Company.

As BYD is the controlling Shareholder of the Company indirectly interested in approximately 65.76% of the issued share capital of the Company as at the date of this announcement, BYD is a connected person of the Company. As such, the Assets Sale Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) stipulated under Rule 14.07 of the Listing Rules in respect of the Assets Sale Transaction (after aggregation with the Previous Transactions) exceed 0.1% but are less than 5%, the Assets Sale Transaction is subject to the reporting and announcement requirements but is exempted from the independent Shareholders' approval requirement set out in Chapter 14A of the Listing Rules.

THE ASSETS SALE AGREEMENT

Details of the Assets Sale Agreement are set out below:

Date

28 November 2023 (after trading hours)

Parties

The Company as seller

BYD as purchaser

Consideration

The total consideration for the assets which the Group agreed to sell to the BYD Group shall be equal to the unaudited net asset value of such assets as at the day of delivery and shall be payable by the BYD Group to the Group in cash.

As at 28 November 2023, the unaudited net asset value of the assets was approximately RMB121,325,000 which is expected to be subject to a downward adjustment as at the day of delivery of the assets due to depreciation accrued up to delivery.

The consideration was determined after arm's length negotiation between the parties by reference to the unaudited net book value of the assets as at 31 October 2023, depreciation of the assets to be accrued up to delivery, working conditions of the assets and current market value of assets of similar capability.

Since the total consideration payable by the BYD Group under the Assets Sale Agreement shall be equal to the unaudited net asset value of relevant assets as at the day of delivery, there is no significant gain or loss accrued to the Company from the Asset Sale Transaction. The proceeds from the Asset Sale Transaction will be used as general working capital of the Group.

Assets Sold

Assets sold by the Group to the BYD Group comprise primarily pressing machine, welding machine, measurement machine and other equipment.

The aggregate original acquisition cost of the said assets paid by the Group was approximately RMB150,219,000.

Delivery

Delivery shall take place within 30 days after (i) the execution of the Assets Sale Agreement and (ii) the relevant approval (if required) has been obtained from the relevant PRC government authority, including the PRC customs authority (as the case may be).

Payment Term

The consideration shall be paid by the BYD Group in cash within 60 days after delivery of the relevant assets by the Group to the BYD Group.

Completion

Completion for the sale of the said assets will take place upon the payment in respect of such assets by the BYD Group to the Group, subject to the condition that the representations and warranties set forth in the Assets Sale Agreement in relation to due and proper working conditions of the relevant assets remain true and accurate at that time.

REASONS FOR AND BENEFITS OF THE ASSETS SALE TRANSACTION

With the continuous advancement of the Group's business related to the new energy vehicle field, its product types have been constantly expanding. In order to engage in the manufacturing of products that are more competitive and profitable, the Group decides to sell part of its idle assets to be in line with the best interests of the Group.

The terms of the Assets Sale Agreement have been negotiated on an arm's length basis. The Directors, including the independent non-executive Directors, consider that the Assets Sale Agreement has been entered into in the ordinary and usual course of the business of the Company on normal commercial terms and the terms of the Assets Sale Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND BYD GROUP

The Company and the Group

The Company is incorporated under the laws of Hong Kong with limited liability whose Shares are listed on the Main Board of the Stock Exchange. Approximately 65.76% of the equity interests of the Company are owned by Golden Link Worldwide Limited, a company incorporated in the British Virgin Islands, which is ultimately wholly owned by BYD. The Group is a global leading platform-based high-end manufacturing enterprise, providing customers with new materials development, product design and development, parts and components as well as complete machine manufacturing, supply chain management, logistics, after-sales and other one-stop services. The Group engages in a wide variety of businesses ranging from smart phones, tablet PCs, new energy vehicles, smart home, game hardware, unmanned aerial vehicles, Internet of Things, robots, communication equipment, health devices to other diversified market areas.

BYD

BYD is a joint stock company incorporated in the PRC with limited liability whose shares are listed on the Main Board of the Stock Exchange and the Main Board of the Shenzhen Stock Exchange. The BYD Group is principally engaged in the automobile business, handset components and assembly services, as well as rechargeable battery and photovoltaic business, and is actively developing the urban rail transportation business segment by capitalising on its technological superiority. BYD is ultimately controlled by Mr. WANG Chuan-fu, a non-executive Director of the Company.

LISTING RULES IMPLICATIONS

As BYD is the controlling Shareholder of the Company indirectly interested in approximately 65.76% of the issued share capital of the Company as at the date of this announcement, BYD is a connected person of the Company. As such, the Assets Sale Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) stipulated under Rule 14.07 of the Listing Rules in respect of the Assets Sale Transaction (after aggregation with the Previous Transactions) exceed 0.1% but are less than 5%, the Assets Sale Transaction is subject to the reporting and announcement requirements but is exempted from the independent Shareholders' approval requirement set out in Chapter 14A of the Listing Rules.

Mr. WANG Chuan-fu, a non-executive Director of the Company, is also an executive director and chairman of the board of directors of BYD and is interested in approximately 17.81% of the total issued share capital of BYD as at the date of the Assets Sale Agreement. Accordingly, Mr. WANG Chuan-fu, being a Director who may have a material interest, had voluntarily abstained from voting on the board resolutions of the Company concerning the Assets Sale Agreement. Save for Mr. Wang Chuan-fu, no other Director has a material interest in the transaction contemplated under the Assets Sale Agreement.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Assets Sale Agreement”	the assets sale agreement dated 28 November 2023 entered into between the Company and BYD for the sale of assets by the Group to the BYD Group
“Assets Sale Transaction”	the transaction contemplated under the Assets Sale Agreement
“Board”	the board of Directors of the Company
“BYD”	BYD Company Limited (比亞迪股份有限公司), a joint stock company incorporated in the PRC with limited liability whose H shares are listed on the Main Board of the Stock Exchange and A shares are listed on the Main Board of the Shenzhen Stock Exchange
“BYD Group”	BYD and its subsidiaries (excluding, except where the context indicates otherwise, the Group)
“Company”	BYD Electronic (International) Company Limited (比亞迪電子(國際)有限公司), a company incorporated in Hong Kong with limited liability whose Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“December 2022 Assets Sale Transaction”	the transaction completed under the assets sale agreement of RMB7,721,000 dated 28 December 2022 entered into between the Company and BYD, which is a fully-exempted connected transaction under Chapter 14A of the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“June 2023 Assets Sale Transaction”	the transaction completed under the assets sale agreement of RMB40,821,000 dated 26 June 2023 entered into between the Company and BYD, which is a fully-exempted connected transaction under Chapter 14A of the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Previous Transactions”	the June 2023 Assets Sale Transaction and December 2022 Assets Sale Transaction
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Shares”	the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By order of the board of
BYD Electronic (International) Company Limited
WANG Nian-qiang
Director

Hong Kong, 28 November 2023

As at the date of this announcement, the Board consists of Mr. WANG Nian-qiang and Mr. JIANG Xiang-rong being the executive Directors, Mr. WANG Chuan-fu and Mr. WANG Bo being the non-executive Directors, and Mr. CHUNG Kwok Mo John, Mr. Antony Francis MAMPILLY and Mr. QIAN Jing-jie being the independent non-executive Directors.